

RETI Plenary Stakeholder Group
DRAFT Notes of January 22, 2008 public meeting

The second RETI Plenary Stakeholder Group public meeting was held January 22, 2008, 9:00-11:40 AM, at the Sacramento Municipal Utility District. Approximately 80 people were in attendance. The meeting was chaired by SSC member Mike DeAngelis of SMUD. All slides presented at the meeting are available on the RETI website, www.energy.ca.gov/reti. The following informal summary of the meeting was compiled by Rachel McMahon of CEERT.

CEC Commissioner Jeff Byron opened the meeting by commending all parties for their interest and work to organize RETI. He emphasized the need for broad stakeholder participation if RETI is to achieve its goals.

RETI Purpose, Goals and Structure: Rich Ferguson, RETI facilitator, gave an overview of the RETI initiative and its three-level organization: the Coordinating Committee; Stakeholder Steering Committee (SSC); and Plenary Stakeholder Group (PSG). He introduced the 27 members of the steering committee; their contact information is on the RETI website. The Coordinating Committee provides policy direction to RETI.

Reports on the work of the Steering Committee:

1) Report from Criteria Evaluation Work Group, presented by PG&E:

The steering committee formed a work group to identify criteria to be used to evaluate proposed renewable energy generating projects and CREZ.

- a. Looking for data that describes the capacity, TOD, capacity factor (how much energy), features of geographic area, distance from transmission lines, timeline for development
- b. Cost factors: O&M, transmission capital cost, system integration costs (total costs to consumer of integrating renewable resources)
- c. Environmental impacts: species, views, public and tribal lands

2) Data sources for Phase 1 analytical work, presented by the CPUC:

- a. The engineering consultant to the SSC identified 45 studies and reports on renewable resources and technologies. SSC members identified additional reports to be consulted in Phase 1 work.

3) What Stakeholders want RETI to Accomplish, presented by the Sierra Club.

Each SSC member has specified what its organization or the class of stakeholders he/she represents need RETI to deliver. RETI should:

- a. Provide a record permitting agencies can rely on to approve transmission projects;
- b. Assist in the development of joint projects between IOUs and POUs;
- c. Not ignore smaller projects where major transmission expansions may not be necessary;
- d. Provide meaningful opportunities for involvement from the public and public interest organizations
- e. Help inform policies and identify issues of concern.

Phase 1A Workplan: Consultant Presentation:

Black & Veatch has been hired as engineering consultant to the SSC to analyze the costs of developing renewable generating projects of all technologies in specific California resource

areas on a consistent basis. Black & Veatch (B&V) staff are Ryan Pletka, project manager; Ric O'Connell, and Tim Mason. Mr. Pletka's presentation:

- Provided an overview of renewable development in California and reminded participants not to ignore lessons learned from this history.
- RETI Phase 1 work is intended to identify and rank CREZ by the end of August 2008. This work has been divided into Phase 1A, development of study assumptions, data inputs and methodologies, to be completed in March 2008, and Phase 1B, covering April-August. B&V will submit its Phase 1A report on March 14. The SSC will meet March 26th to discuss the work and findings of Phase 1A. This will include:
 - Literature review
 - Define study input assumptions
 - Financial assumptions for use in modeling based on projected costs, considering forecasted technology improvements and availability of renewable energy incentives.
 - Renewable energy demand. Assumptions will be made for where we are today, based in part on a determination of what to include (short-listed, announced, signed contracts), and what the requirement or goal will be for 2020.
 - Transmission needs and costs
 - Economic assumptions to support resource valuation
 - Renewable technology specific assumptions
 - Resource valuation, transmission cost assessment and other parameters
 - Technology/resource assessment and screening by geographic region
 - Stakeholder engagement and outreach
 - Project management and coordination
 - Identify most promising opportunities for further study in Phase 1B

Public Comment:

The final hour of the meeting was devoted to comments and questions.

Steve Munson of Vulcan Power provided a map of a possible transmission path to access geothermal resources in Northern Nevada and Oregon. Mr. Munson said that LADWP rejected the proposal but later found it to be cost effective. In response to Mr. Munson's testimony, Mike DeAngelis of SMUD clarified that RETI welcomes maps and proposals for lines and resources from parties, but will not promote any particular project or renewable technology over another.

Nancy Rader of CalWEA asked Black & Veatch what sensitivities they intended to look at, to calibrate different assumptions. B&V responded that they are not going to do a sensitivity analysis, but are planning to do specific evaluations for every project. Ms. Rader responded with the fear that this process will supplant the LGIP reform and the RPS' least-cost best-fit and competitive processes. Ms. Rader argued that RETI should just focus on high level issues, such as maps for resource areas in southern California and transmission backbones. RETI should not focus on costs of each technology, and should not second guess the market and try to pick winners.

Jack Pigott of OptiSolar recommended that B&V start its analysis with projects in the ISO queue, as developers are taking queue positions and land positions and expect those projects to come on-line within the next few years. Mr. Pigott also asked how development of large-scale solar photovoltaics (PV) will be approached in the analysis, and by RETI, and pointed out that there are no PV companies on the Steering Committee. Mr. Pigott further

testified that he was also hoping that analysis wouldn't get into technology costs, but would be focused on identifying resource areas. In response to Mr. Pigott, Dave Olsen, RETI facilitator, replied that all solar developers should coordinate through the solar representatives on the Steering Committee, and make sure that the representative has all current information on technology, including a range of costs. In the Tehachapi Transmission Project planning process, a range of costs and operating parameters agreed to by all wind companies was provided through AWEA. A major goal of Phase 1 is to provide cost estimates for the output of every generating technology prepared on a consistent basis. Permitting agencies need this information to base their approvals of new transmission projects on.

Greg Blue of enXco agreed with Ms. Rader and Mr. Pigott that RETI should not attempt to make specific technology cost estimates, and that projects in the ISO queue should be added to Black & Veatch's list of evaluation criteria. Mr. Blue asked if RETI had the authority to designate CREZ outside of California. Dave Olsen responded that RETI does not have authority to designate CREZ; it can only identify development zones that best justify new transmission facilities to access them, and work to build broad support for approval of those transmission facilities. It is possible that CREZ and associated transmission may extend into neighboring states.

Joan Taylor, a conservation land activist, commented on several points: that the greenhouse gas (GHG) impacts of transporting biomass should be factored in; and that storage technologies should be included in the analysis. B&V responded that anticipated GHG regulation costs included in the analysis will capture the impacts of transporting biomass, and that they are not doing a lifecycle analysis for this project. Storage will be considered in Phase 2.

Karen Mills of the California Farm Bureau Federation asked how RETI would engage parties interested in impacts on private property. Dave Olsen responded that land owners should ask county representatives on the SSC to convey and request action on their specific concerns; and that interested land owners should also participate directly in PSG meetings. Ms. Mills also asked how RETI fits in with other transmission planning processes at the ISO and CEC, etc., and recommended that a flow chart would be useful for RETI to provide to the public to show how these pieces fit together. Mr. DeAngelis pointed out that such a diagram was presented at the Sept. 20, 2007 PSG meeting and is now posted on the RETI website with materials of that meeting.

Dave Olsen reported that, even though SSC meetings are not public, the steering committee welcomes observers at its meetings. SSC meeting dates are posted on the RETI website. Because the SSC is a working body with much to accomplish in limited time, observers may not comment or vote. Seating is often limited due to room constraints and cannot be guaranteed. On behalf of the SSC, Mr. Olsen invited observers to attend the SSC meeting that afternoon, Jan. 22, 1:30-4:30 PM, at the California Energy Commission.

Ed Smelof of SunPower Corporation agreed with other parties that detailed characterization of technology costs would be of limited value, as companies would not be willing to give up their forward costs curves. Mr. Smelof recommended that RETI approach utility-scale solar as an overall category, rather than attempting to pick specific technology winners. He also observed that it would be very helpful to generators to know which land areas are to be excluded from consideration on environmental grounds, and asked that RETI focus on making that information available..

Steve Munson of Vulcan asked if environmental groups were considering or could consider mitigation package possibilities. He asked if Black & Veatch's work on coal projects in Nevada or its work for Sierra Pacific and LADWP posed any conflicts with its work for RETI.

Bill Powers of Powers Engineering testified that any new transmission line will be controversial, and that RETI should also focus on unloading existing transmission lines that move fossil power and replacing that with renewable power. He further testified that it would be useful for B&V to look at the expiration of DWR contracts (in 2011-2012) to this end. Powers Engineering produced a report, San Diego Smart Energy 2020 that discusses the potential for distributed generation and renewables in San Diego. Mr. Powers further advocated for the need for coordination between different efforts to bring clean resources on-line, given the potential for collision between CEC funding RETI for remote renewables, and potential feed-in tariffs for PV and a DG portfolio standard. Black & Veatch responded that they will be doing a demand forecast for renewables that will take into consideration future penetration of distributed PV.

Joe Harry of SunEdison testified that full cost transparency is an essential component of transmission planning, to avoid building unnecessary transmission.

Janine Scancarelli of Folger Levin & Kahn, a law firm representing National Grid, co-developer of the TransWest Express transmission project, asked about the relationship of RETI with greater Western CREZ issues and coordination with Western Governors Association. Traci Bone responded that she (representing the CPUC) and Dave Olsen are working with the WGA on the west-wide effort and RETI will be closely coordinated with this effort.

Joshua Bar-Lev of BrightSource commented that he welcomed participation by the PV industry, and that the solar representatives on the SSC would work to ensure that RETI addresses the concerns of all solar technologies. He also opined that, given the rapid development of solar technologies, predicting winners and losers is a fruitless exercise.

SSC member Rainer Aringhoff of Solar Millennium commented that he will help represent PV on the SSC. He commented that if the RETI goal is to identify transmission corridors that can be readily permitted, generators will have to provide data on their projects in order to justify approving the transmission to access them.

Michael Hoexter of Terra Verde, a renewable energy advocate, suggested that RETI consider feed-in tariffs for solar and other resources, to ensure development of project in identified CREZ. He suggested that CREZ identification could be simplified by separating different layers of analysis, separating geophysical resources from land impacts, to name only two such possible layers.

V. John White, CEERT Executive Director, commented that the B&V effort to produce supply curves for each technology in each resource area could take too much time with RPS deadlines looming. He suggested that, in parallel with the B&V analysis, RETI should engage directly with LSEs who are behind in meeting RPS obligations, to determine their procurement plans: what they propose to buy, and where it is likely to come from. This will better coordinate RETI CREZ-transmission work with likely procurement.

Mr. DeAngelis adjourned the meeting at 11:40 AM.